Subject Index

	Page
Questions presented	1
Statement of the case	4
Reasons for denying the writ	5
Conclusion	11

Table of Authorities Cited

Cases	Pages
A & P Tea Co. v. Supermarket Corp., 340 U.S. 147	2, 3, 4
Graham v. John Deere Co., 383 U.S. 1	3
Graver Mfg. Co. v. Linde Co., 336 U.S. 271	6
Langnes v. Green, 282 U.S. 531	3

Statutes

35 U.S.C., Section 103	2, 3, 6, 7

Constitutions

United States Constitution, Seventh Amendment	1, 4, 7

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1967

No. 377

CARL S. ZILK and FLOMATIC SALES CORPORATION, an Oregon corporation,
Petitioners,

vs.

DEATON'S FOUNTAIN SERVICE, a partnership comprised of William P. Deaton and C. J. De Ceasare,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

QUESTIONS PRESENTED

This case is not an appropriate case for determination by this Court of the Seventh Amendment, or right to trial by jury, questions set forth in the Petition because the judgments of the Courts below are supportable on a second, or non-jury case, ground.

The second ground for the District Court's judgment is as follows (Pet. App. 12a-13a):

"Entirely separate from the Section 103 issue, the Zilk concept does not meet the *A & P Tea Co.* standard of invention. The evidence in this case failed completely to show that by the arrangement of old elements, plaintiff obtained any 'unusual or surprising consequences' from his combination as called for in the *A & P Tea Co.* decision. (Reaffirmed in *Graham v. John Deere, supra.*) All that Zilk achieved was a more convenient location for the switch buttons permitting a one handed operation, which was possible with a single fluid in the 'Wheco' device. It has long since been the law that mere relocation of an element of an old combination does not amount to patentable invention. *Photochart, et al. v. Photo Patrol, et al.*, 189 F.2d 265. *Weyerhauser Timber Co. v. Royal Container Co.*, 128 U.S.P.Q. 70, 71. This maxim holds true regardless of how useful or convenient the relocation is. *Cuno Corp. v. Automatic Devices Corp.*, 314 U.S. 84. This issue is so clear in light of the long line of judicial precedents that it may properly be resolved as a matter of law by the Court.[11]

[11]"The *A & P Tea Co.* test was not submitted to the jury in the instructions as the standard for invention because of the confusion over the possible preemption by Section 103, preceding the *Graham* decision."

The District Court thereby held that the invention of the Zilk patent in suit was a combination of merely old elements (see also: Pet. App. 9a, ll. 14-20).

The judgment (Pet. App. 3a) of the Court of Appeals affirmed the judgment of the District Court without qualification, but in the Court of Appeals' *Per Curiam* opinion (Pet. App. 1a-2a) the second ground, *supra,* for the District Court's judgment is not mentioned. It is appropriate for Respondent here to urge the District Court's first

ground, *infra,* and its second ground, *supra,* in support of the judgment of the Court of Appeals. *Langnes v. Green,* 282 U.S. 531, 538.

The question is whether said second ground is a valid one after the time of the 1952 enactment of the non-obviousness requirement of Section 103, i.e. does the pre-1952-enunciated *A & P Tea Co.* test or standard of patentability for inventions which are combinations of old elements, the test requiring a showing of "unusual or surprising consequences", still have validity?

The *A & P Tea Co.* test concerned the *general level of innovation* to sustain patentability of a particular type of invention, i.e. a combination of old elements. That this test has post-1952 validity is indicated by this Court in *Graham v. John Deere Co.,* 383 U.S. 1, as follows:

> "We have concluded that the 1952 Act was intended to codify judicial precedents embracing the principle long ago announced by this Court in *Hotchkiss v. Greenwood,* 11 How. 248 (1850), and that, while the clear language of § 103 places emphasis on an inquiry into obviousness, the general level of innovation necessary to sustain patentability remains the same."

If the *A & P Tea Co.* has present validity, it follows that the Petition should be denied because the two questions in the Petition are moot.

The Petition should be so denied because the failure to instruct the jury (Pet. App. 13a, fn. 11) on the issues presented by the applicable standard of invention, the *A & P Tea Co.* test, amounted to a waiver of jury trial as to these issues. Stated otherwise, compliance or non-

compliance with this standard of invention did not in this case amount to a fact tried by the jury. Thus, the Seventh Amendment to the Constitution could not have barred the District Court from examining into the fact issues raised by the applicable standard of invention.

It is to be noted that the District Court's instructions concerning inventions which are combinations of old elements (Pet. App. 35a) fell far short of being instructions appropriate under the *A & P Tea Co.* test.

STATEMENT OF THE CASE

The following is set forth by way of addition to Petitioners' Statement of the Case.

In July, 1957, Petitioner Zilk was engaged in the bar dispenser business in Portland, Oregon. At that time, one of his competitors was selling the "Wheco" device, and Petitioner Zilk was personally acquainted with that device. The "Wheco" device, as explained in the District Court's opinion (Pet. App. 9a-10a), involved *one-handed* dispensing of individual bar mixes because it contained operating levers mounted at the movable ends of separate hoses (Tr., Vol. 2, pp. 53-55).

In July, 1957, Petitioner Zilk was visited by a salesman, who offered to sell a new device to him. The new device was the "Magic Wand". The "Magic Wand" had several hoses bound together into a single composite hose so that it could dispense several bar mixes, but it required *two hands* to operate it because the push buttons for the bar mixes were mounted on the stationary end of

the composite hose instead of the movable end thereof (Tr., Vol. 2, pp. 81-87).

Zilk's immediate reaction, upon seeing the "Magic Wand", was that its push buttons should be moved to the movable end of the hose to make the device competitive with the "Wheco" device (Tr., Vol. 2, pp. 82 and 83).

That is the invention for which the Zilk patent was granted. The Zilk invention is the prior art "Magic Wand" device with its electrical push buttons relocated from the stationary end of the hose to the movable end of the hose. A variety of prior art references, in addition to "Wheco", taught the technique of relocating electrical switches onto the movable ends of dispenser hoses (Pet. App., p. 11a, fn. 10).

The District Court concluded, as its first ground for the judgment, that the jury verdict was contrary to law in that no jury of reasonable-minded people could find that the Zilk invention was unobvious (Pet. App., p. 12a). The Court of Appeals affirmed with a one-paragraph *Per Curiam* opinion.

REASONS FOR DENYING THE WRIT

The District Court held that, considering the scope and content of the prior art, the claims at issue, and the level of ordinary skill in the art, for lack of probative evidence no reasonable-minded jury could have concluded that the Zilk invention was non-obvious to one skilled in the bar-dispensing art in July, 1957 (Pet. App. 7a).

The Court of Appeals agreed with the District Court, holding that there could have been but one reasonable

conclusion as to the verdict, i.e. that the Zilk patent was invalid for obviousness under Section 103, and pointing out that the record evidence which bore upon and supported the finding of obviousness under Section 103 was *uncontradicted* (Pet. App. 1a-2a).

Thus, both Courts below were consistent in finding and adjudging that the only reasonable conclusion as to the verdict was that the Zilk patent was invalid.

Petitioners urge this Court to take review of the matter on the premise that the Courts below were both wrong in mutually concluding that there was no evidentiary basis upon which reasonable men could conclude the presence of patentable invention, i.e. Petitioners argue to this Court "that the record furnishes an evidentiary basis upon which reasonable men could conclude the presence of invention" (Pet. 8).

Thus, in essence, Petitioners are asking this Court to undertake review of concurrent findings of fact by the two Courts below. Such a request is inappropriate in the absence of a very obvious and exceptional showing of error. *Graver Mfg. Co. v. Linde Co.*, 336 U.S. 271, 275.

Petitioners suggest the presence of error both as to findings of fact and as to propositions of law.

First, as to errors of law, Petitioners contend that a factual issue must at all times remain with the jury, i.e. that matters of law are for the Court and matters of fact are for the jury, and that under no circumstances can a Court rule on, or decide, a matter of fact as a matter of law. Petitioners totally ignore the true function of a jury and the significance of the case authorities they, the Petitioners, cite.

Thus, Petitioners overlook this basic reality: a factual issue ceases to be a factual issue, and thus its resolution ceases to be within the province of the jury, when there is no probative evidence to enable a jury composed of people of reasonable mind to resolve the issue in the way in which it did resolve it. Under such circumstances, the jury's verdict is beyond the role and function of the jury and is a usurpation of the Court's function. In this connection, there is no room for any contention that the Seventh Amendment provides an absolute guarantee of trial by jury of factual issues. The Seventh Amendment provides that a fact tried by a jury *can* be reexamined by a Court "according to the rules of the common law".

The rules of the common law permitted the Court to reexamine a fact tried by the jury and enter judgment *non obstante veredicto* where reasonable-minded men could not render the same verdict as the jury on the basis of the fact tried.

Petitioners urge this Court that no Court may take a Section 103 obviousness issue away from a jury. This urging is implicit in the two questions presented, and is explicit in the Petition (Pet. 9), whereat Petitioners take the position that in a jury-patent case, where there are differences between the prior art and the patented device, invention is a question of fact and is within, and must remain within, the sole domain of the jury.

Petitioners thereby urge this Court that a Court is not empowered to take the "obviousness" issue away from the jury, even when, as for example, the patented device may be a 1967 "Ford" with five wheels and when the

prior device may be a 1966 "Ford" with four wheels, the invention residing in the added wheel.

If the Petitioners are seriously urging an error of law, they are disserving this Court, the jury system, and the patent system. In fairness to Petitioners, it must be concluded that they are in reality urging an error only as to findings of fact, and the question then is, in the light of the concurrent findings of the Courts below, whether there is any "very obvious and exceptional" error.

It will be noted that the two questions posed by Petitioners are disposed within and conditioned by the framework of "a setting" (Pet. 2), the "setting" consisting of the following generalized findings of the District Court:

(1) there were differences between the patented device and the prior art;

(2) there was an unsatisfied need;

(3) the patented device attained commercial success;

(4) the most pertinent prior art devices were generally abandoned in favor of the patented device and its progeny when they became available on the market; and

(5) a small amount of objective evidence of non-obviousness was tendered.

In appropriate numerical sequence relative to the above-numbered items, what the District Court specifically found was as follows (Pet. App. 4a-13a):

(1) the patented device enabled a bar-tender to dispense in prompt succession any customer-required

order of a limited number of drink mixes, i.e. soda, tonic water, straight water, ginger ale, etc., by way of a one-handed operation, thereby leaving the bartender's other hand free for further pursuits in his employer's interest; the only notable difference between the Zilk device and the two prior art devices relied upon by the Court was the one-handed selective dispensing (multi-hose nozzle with plural push buttons) of a plurality of fluids without the necessity of changing the grip of that hand, i.e. this "notable difference" being in the light of (a) the prior art "Magic Wand" device enabling a one-handed dispensing of a plurality of bar mixes from a single, multi-hose nozzle while requiring the use of the other hand to operate plural push buttons disposed on a bar-mounted console; and (b) the prior art "Wheco" device which enabled a one-handed dispensing (a number of separate hoses, each connected to its own mix supply and each having a nozzle provided with a single push button, or valve control) of any selected bar-mix without requiring the use of the other hand;

(2), (3) and (4) as to unsatisfied need, commercial success, and replacement of the prior art devices by the patented devices, the District Court held that these were factors of secondary consideration which could provide indicia of non-obviousness where the issue of non-obviousness is in doubt, i.e. where reasonable-minded men could differ in their resolution of this issue;

(5) the small amount of objective evidence of non-obviousness tendered was (Tr., Vol. 1, pp. 132-135): prior to the Zilk invention, there was a prior art multi-mix dispensing device having a dispensing head adapted to be mounted in a stationary position on a bar and having a dispensing nozzle and plural push buttons on the head; this device, called a "Mix-O-Matic" dispenser, was made by Bar Master, the eventual producer of the above-discussed "Magic Wand" device; an optional version of this "Mix-O-Matic" device was offered at the same time to the trade, the optional version differing from the main form of device in that the buttons on the stationary head were replaced by a plurality of foot treadle switches; this freed both of the bartender's hands from the operation of the dispensing head and rendered the optional version operable by a one-armed bar tender; Petitioners argued to the Courts below that the removal of the push buttons from the dispensing head and the replacement of them by foot treadle switches indicated that it was obvious to modify the "Magic Wand" device by removing the push buttons from the stationary bar console and replacing them by foot treadle switches, and that this rendered it less obvious to modify the device by transfer of the push buttons from the console to the portable head; Petitioners' line of argument to the Courts below overlooked the fact that, if there are two clearly and equally obvious ways of doing something, one way is not rendered less obvious if a given person should elect to pursue the other way.

A further reason for denying the writ is set forth in the "Questions Presented" section of this brief, i.e., the second ground for the District Court's judgment was a non-jury ground, thereby rendering moot the two "jury trial" questions set forth in the Petition.

CONCLUSION

For the reasons set forth above, it is respectfully submitted that the Petition should be denied.

Dated, San Francisco, California,
August 3, 1967.

Respectfully submitted,
JAMES M. NAYLOR,
FRANK A. NEAL,
Attorneys for Respondent.

KARL A. LIMBACH,
Of Counsel.